

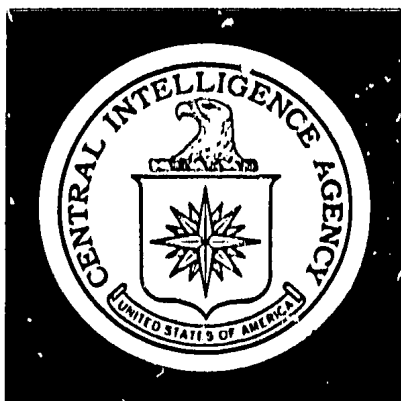
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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

Shipping To North Vietnam During October 1970

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November 1970

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Foreword

All data in this memorandum are preliminary and subject to minor changes as additional information becomes available. Data for the preceding month and monthly averages presented in the tables have been adjusted to reflect corrections and additions. Weights of cargoes are expressed in metric tons. Because of rounding, components may not add to the totals shown.

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
November 1970

INTELLIGENCE MEMORANDUM

Shipping To North Vietnam
During October 1970

Highlights

North Vietnamese seaborne imports fell slightly in October to 131,000 tons, about 26,000 tons below the monthly average for January-September 1970. Imports from Communist China dropped to 5,000 tons, the lowest level on record. Increased deliveries from the USSR, Eastern Europe, and Japan prevented a more pronounced reduction in total imports.

The decreased imports from China affected principally foodstuffs, which fell by 27% to 34,000 tons. Petroleum deliveries declined slightly to 17,100 tons despite a North Vietnamese request for about 39,000 tons.

Imports of metal products were the highest in 1970, and fertilizer imports were at their highest level since May. Five Soviet ships delivered small amounts of unspecified military aid cargo, another Soviet ship delivered a full load of vehicles from Vladivostok, and a Polish vessel brought in 550 tons of explosives.

Spurred by a 28% increase in coal shipments, seaborne exports rose to 60,000 tons, their highest level since January. The rise in coal exports reflects a sharp increase in shipments to China and a slight increase in those to Japan. Apatite shipments were at the same level as in September.

Note: This memorandum was produced solely by CIA. It was prepared by the Office of Economic Research and information on ship arrivals was coordinated with the Naval Intelligence Command.

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Thirty-two ships arrived from foreign ports in October, seven less than in September. Free World arrivals dropped to one, a record low. Calls by North Vietnamese vessels from foreign ports also fell to one, following their exclusion from Hong Kong for failure to meet the standards of the international convention on safety of lives at sea.

Haiphong was congested only during a short period in the second half of the month. The average number of foreign dry cargo ships in port per day during October was 12, one more than in September, and the average layover time for departing foreign dry cargo ships remained at 13 days.

Construction continued on the new wharves at Haiphong. Dismantling of the Hospital Wharf has been completed, and the length of the new wharf will apparently exceed 2,000 feet -- frontage sufficient to berth four large freighters. This will bring to 11 the number of berths in Haiphong available for ships in foreign trade.

Imports

1. North Vietnamese seaborne imports dropped slightly to 131,000 tons in October (see Tables 1 and 2). Foodstuffs, the only major import category to decline significantly, fell 27% to 34,000 tons. Although foodstuff deliveries from the USSR (mostly wheat flour) rose for the third consecutive month -- to 29,400 tons -- those from Communist China (all rice) fell to only 3,500 tons, the lowest level since October 1966. Eleven hundred tons of lard and canned goods arrived from Bulgaria and Poland. Petroleum deliveries (17,100 tons) were off slightly

Petroleum imports for the first ten months of 1970 were 8% below those of the comparable period in 1969.

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2. Fertilizer imports increased by one-half to 22,800 tons, the highest monthly level since May. About 11,200 tons of urea arrived from Japan (the highest fertilizer imports from there in nearly a year); the remaining fertilizer consisted of ammonium sulfate loaded at Soviet Black Sea ports. Deliveries of metal products reached their highest level in 1970 -- 24,000 tons, more than two and one-half times the monthly average during January-September. This included 18,600 tons of steel on nine ships that arrived from Soviet Black Sea ports and Eastern Europe. Imports of machinery and equipment amounted to 3,700 tons, about 700 tons below the monthly average through September. The fifth major seaborne delivery of vehicles (200) from the Soviet Far East in 1970 arrived in October on the *Ussuriysk*. Last year, nine such deliveries had been completed by the end of October.

3. A Polish ship, the *Szymanowski*, arrived with about 550 tons of unspecified explosives from Gdynia. This brought total explosives deliveries thus far in 1970 to four -- three by Polish ships and one by a Soviet ship -- with a total volume of 3,600 tons.

4. Five Soviet vessels offloaded about 50 tons of unspecified cargo from the Black Sea that was probably military aid. This brings total Soviet deliveries of this type in 1970 to almost 800 tons, 300 tons more than were delivered during the first ten months of 1969. However, the rate of deliveries during the period July-October 1970 was 50 tons per month, compared with 75 tons per month during the same period of 1969. These small consignments are more likely to be military support items than ordnance.

5. About 22,500 tons of October imports were unidentified, compared with 28,800 tons in September. Most of the unidentified goods came from Eastern Europe (11,000 tons) and the USSR (9,900 tons). In view of the size of the individual consignments and their origins, most of the unidentified cargo probably consisted of metals, machinery, or vehicles.

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Exports

6. Seaborne exports rose for the second consecutive month, to 60,000 tons, as coal exports climbed to 43,900 tons, their highest level since January (see Tables 3 and 4). Shipments of coal to Communist China reached 16,100 tons in October, compared with none in September, and those to Japan increased slightly to 26,800 tons. The upturn in coal exports is partly seasonal. Coal exports have been higher in October than in September for five consecutive years, and shipments during the last quarter have been higher than the quarterly average earlier in the year for the last two years, as shown in the following tabulation:

<u>Thousand Metric Tons</u>				
<u>Year</u>	<u>Oct</u>	<u>Sep</u>	<u>Fourth Quarter</u>	<u>Quarterly Average Jan-Sep</u>
1970	43.9	34.2	--	74.4
1969	41.7	21.5	127.7	111.1
1968	43.4	22.3	171.6	151.3
1967	14.9	9.3	58.2	121.3
1966	75.1	36.3	211.7	242.2
1965	70.5	92.9	350.0	266.7

7. Despite the improvement in coal exports, North Vietnam may have difficulty meeting its 1970 export commitment to Japan. In March 1970 the North Vietnamese contracted with Japanese firms to supply 265,000-280,000 tons of coal during the year. During January-October, only 151,300 tons were shipped. This was 17% below the 182,000 tons delivered in the equivalent period of 1969 and only 57% of the minimum 1970 commitment. Exports to Japan would have to average 57,000 tons monthly in November and December, or more than twice the October level, in order to meet this commitment.

8. The Japan-North Vietnam Trade Association is apparently encouraging North Vietnam to further modernize its coal mines, whose out-of-date equipment and low labor productivity were probably major causes of this year's reduction in exports.

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Representatives of Japanese trading firms have recently visited North Vietnam to discuss possible increases in trade.

9. Seaborne exports of apatite remained at the low September level -- 4,000 tons, or little more than half of the January-September monthly average. As in September, all of the October volume went to China. During the last four months of the year, 30,000 tons of apatite are scheduled to be shipped from North Vietnam to China by rail. This suggests that some of the tonnage that previously moved by sea is now going overland.

Ship Arrivals

10. Thirty-two ships arrived in North Vietnam from foreign ports during October, seven less than in September (see Table 5). Two of these were ships that went directly to Cam Pha or Hon Gai to load coal. Eight other ships, including five Soviet ships loading coal for Japan, called at the coal ports after offloading import cargoes in Haiphong. Arrivals of North Vietnamese-flag ships from foreign ports dropped abruptly, reflecting Hong Kong's temporary decision to forbid calls by North Vietnamese ships because of noncompliance with the current international convention on safety of life at sea.

11. Free World arrivals dropped from four in September to one* in October. In both months, the Free World arrivals were all Hong Kong-owned British-flag ships. For the third month in a row there were no Somali-flag arrivals. The paucity of Free World arrivals probably stems from lack of current trade between northern China and North Vietnam rather than unavailability of ships. The two Somali ships that visited North Vietnam most frequently in earlier months were employed in China's trade with Hong Kong and Japan during October.

12. The absence of Somali-flag ships from Haiphong for three months in a row does not rule

* Unlike most Free World ships that visit Haiphong, this vessel, the Hong Kong-based British-flag freighter Shun Wah, has not called regularly at North Vietnamese ports.

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out their reappearance in the trade. The Ankan Shipping Company of Hong Kong, which owned the two Somali-flag ships that accounted for 10 of the 13 Somali-flag arrivals in 1970, reportedly is near bankruptcy, and the two ships apparently are being sold. However, Ankan, which is headed by Kuo Wen Ch'uan* and probably financed by the Communist Chinese, may not be in as dire straits as reported. Ankan has sold ships in the past to associated firms only to have them re-transferred to Ankan ownership.** This may occur again. The other two Somali-flag ships that have called at North Vietnam in 1970 are operated by Hong Kong firms -- Sun Line, Ltd., and Kie Hock Shipping Co., Ltd.

Haiphong

13. The number of foreign dry cargo ships in Haiphong peaked at 19 on 23 and 24 October. Except for that brief period, there was little or no congestion in the port during the month. The average number of foreign dry cargo ships in port per day in October amounted to only 1.2, one more than in September, and the average layover time for departing dry cargo ships remained unchanged at 13 days (see the chart).

14. Construction continued on Haiphong's Chamber of Commerce Wharves. Dismantling of the Hospital Wharf, which had previously stood in the way of further construction, was completed, and recent photography indicates that the new wharves will be extended at least as far as the ferry landing, 475 feet upriver from the site of the Hospital Wharf. This means that the total length

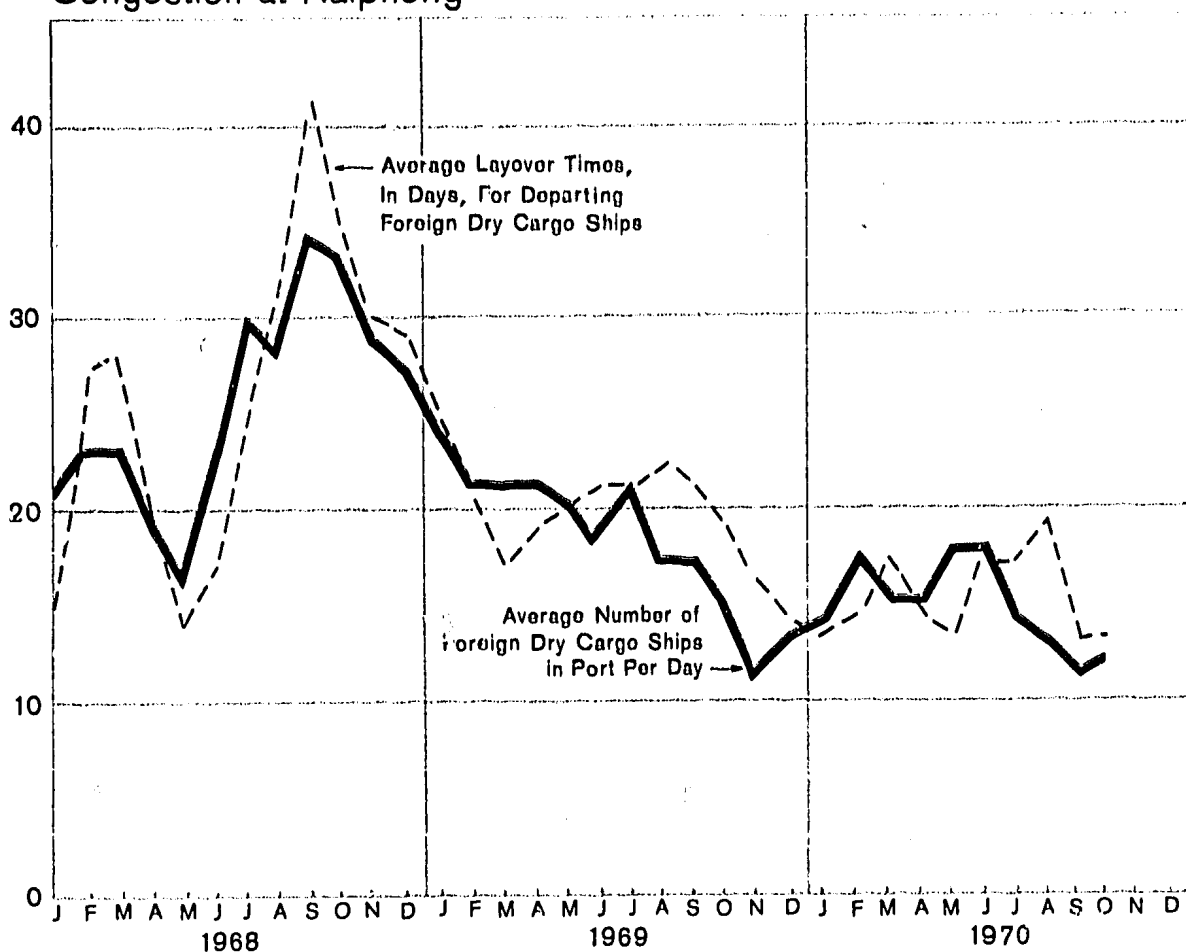
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*** For example, during the first half of 1969, a subsidiary of Ankan, Nam Fong Shipping Co., Ltd., sold the Eastern Dragon to the Goodwind Shipping Co., Ltd. Later in the year, the same ship was resold directly to Ankan. The Nam Fong Shipping Co., Ltd., is now listed in Lloyd's Confidential Index as a subsidiary of Nam On Navigation Co., Ltd., formerly listed as a subsidiary of Ankan but now as a separate firm.*

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Congestion at Haiphong*



*Tankers are excluded from these averages because they do not compete with dry cargo ships for the limited berthing space in Haiphong. The average layover time for departing dry cargo ships is compiled by averaging layover times (including both the day of arrival and the day of departure) of all foreign dry cargo ships leaving Haiphong in the month.

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of the new wharf extension begun in late 1967 will exceed 2,000 feet, frontage sufficient to berth four large freighters. When the fourth berth is completed, Haiphong will have a total of 11 berths available for the handling of freighters in foreign trade.

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Table 1

Seaborne Imports, by Origin and Commodity a/
1970

Thousand Metric Tons

Origin	Foodstuffs		Fertilizer		Petroleum		General and Miscellaneous		Total	
	Oct	Monthly Average Jan-Sep	Oct	Monthly Average Jan-Sep	Oct	Monthly Average Jan-Sep	Oct <u>b/</u>	Monthly Average Jan-Sep	Oct	Monthly Average Jan-Sep
<i>Total</i>	34.0	56.6	22.8	16.2	17.1	29.5	57.3	55.0	131.2	157.2
Communist	34.0	56.5	11.6	13.3	17.1	29.5	57.2	52.5	119.9	151.6
USSR	29.4	36.3	11.6	10.6	17.0	29.1	29.9	23.9	87.9	99.9
Eastern Europe	1.1	0.8	--	1.3	Negl.	--	25.8	9.8	27.0	11.8
China	3.5	14.5	--	--	--	0.3	1.5	17.8	5.0	32.6
North Korea	--	0.4	--	1.3	--	--	--	1.0	--	2.8
Cuba	--	4.5	--	--	--	--	--	Negl.	--	4.5
Free World	0	0.1	11.2	3.0	0	0	0.2	2.5	11.3	5.6
Japan	--	--	11.2	3.0	--	--	0.1	0.3	11.3	3.2
Cambodia	--	Negl.	--	--	--	--	--	1.5	--	1.5
Other	--	0.1	--	--	--	--	Negl.	0.7	Negl.	0.9

a. Identified imports include some estimates of bulk cargoes using methods which have proved to be highly reliable.

b. Including 22,500 tons of unidentified cargo, 24,000 tons of metal products, 3,700 tons of machinery, 2,000 tons of motor vehicles, and 5,100 tons of other cargo.

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Table 2
Seaborne Imports, by Flag and Commodity
1970

Thousand Metric Tons							
Flag	Oct				Total	Sep	Monthly Average Jan-Sep
	Food- stuffs	Ferti- lizer	Petro- leum	General and Miscel- laneous			
<i>Total</i>	<i>34.0</i>	<i>22.8</i>	<i>17.1</i>	<i>57.3</i>	<i>131.2</i>	<i>136.1</i>	<i>157.2</i>
Communist	<u>34.0</u>	<u>14.5</u>	<u>17.1</u>	<u>57.3</u>	<u>122.9</u>	<u>125.4</u>	<u>134.0</u>
Soviet	29.4	14.5	17.0	30.0	90.9	89.3	103.1
East European	1.1	--	Negl.	25.8	27.0	11.2	11.5
Chinese	3.5	--	--	1.5	5.0	16.1	14.5
Cuban	--	--	--	--	--	8.7	4.5
North Vietnamese	--	--	--	Negl.	Negl.	Negl.	0.4
Free World	<u>0</u>	<u>8.3</u>	<u>0</u>	<u>0</u>	<u>8.3</u>	<u>10.7</u>	<u>23.3</u>

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Table 3
Seaborne Exports, by Destination and Commodity a/
1970

Thousand Metric Tons

Destination	Coal		Cement		Apatite		Rice		General and Miscellaneous		Total	
	Oct	Monthly Average Jan-Sep	Oct	Monthly Average Jan-Sep	Oct	Monthly Average Jan-Sep	Oct	Monthly Average Jan-Sep	Oct	Monthly Average Jan-Sep	Oct	Monthly Average Jan-Sep
Total	43.9	24.8	1.0	1.0	4.0	7.8	1.3	2.3	3.5	5.7	59.7	41.7
Communist	16.1	9.4	0	0	4.0	7.6	0	0	6.5	2.8	26.7	19.8
USSR	--	--	--	--	--	--	--	--	1.4	0.3	1.4	0.3
Eastern Europe	--	0.5	--	--	--	--	--	--	2.1	0.7	2.1	1.2
China	16.1	7.8	--	--	4.0	2.9	--	--	2.9	1.6	23.1	12.3
North Korea	--	--	--	--	--	4.7	--	--	--	0.1	--	4.8
Cuba	--	1.1	--	--	--	--	--	--	--	0.1	--	1.2
Free World	27.8	15.5	1.0	1.0	0	0.2	1.3	2.3	3.0	2.9	33.0	21.9
Japan	26.8	13.8	--	--	--	Negl.	--	--	0.5	0.3	27.4	14.1
Cambodia	--	--	--	--	--	--	--	--	--	0.2	--	0.2
Other	1.0	1.6	1.0	1.0	--	0.2	1.3	2.3	2.4	2.4	5.7	7.6

a. Identified exports include some estimates of bulk cargoes using methods which have proved to be highly reliable.

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Table 4
Seaborne Exports, by Flag and Commodity
1970

Thousand Metric Tons									
Flag	Oct					General and Miscel- laneous	Total	Sep	Monthly Average Jan-Sep
	Coal	Cement	Apatite	Rice					
Total	43.3	1.0	4.0	1.3	3.5	53.7	54.1	41.7	
Communist	37.5	1.0	4.0	1.3	9.5	53.2	44.3	39.1	
Soviet	20.3	--	--	1.0	2.5	23.8	17.0	18.4	
East European	--	--	--	0.2	1.1	1.4	6.9	3.7	
Chinese	16.1	--	4.0	--	4.7	24.8	8.8	12.3	
Cuban	--	--	--	--	--	--	10.0	2.3	
North Vietnamese	1.0	1.0	--	--	1.2	3.2	1.6	2.4	
Free World	6.5	0	0	0	Negl.	6.5	9.8	2.5	

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Table 5
Ship Arrivals, by Type, Flag, and Origin
1970

Type/Flag	Oct							Monthly Average Jan-Sep
	Origins							
	USSR		Communist China	Other Communist	Free World	Total	Sep Total	
	Black Sea	Far East						
Total	5	14	5	4	4	32	33	41.0
Dry cargo	5	11	5	4	4	29	35	36.1
Tanker	--	3	--	--	--	3	4	4.9
Communist	5	14	5	4	3	31	35	35.2
Soviet	5	14	--	--	2	21	21	22.3
East European	--	--	--	4	--	4	2	2.3
Bulgarian	--	--	--	--	--	--	--	0.4
East German	--	--	--	--	--	--	1	0.1
Polish	--	--	--	4	--	4	1	1.8
Chinese	--	--	5	--	--	5	6	5.4
Cuban	--	--	--	--	--	--	1	0.8
North Vietnamese	--	--	--	--	1	1	5	4.3
Free World	0	0	0	0	1	1	4	5.3
British	--	--	--	--	1	1	4	4.0
Somalian	--	--	--	--	--	--	--	1.4
Other	--	--	--	--	--	--	--	0.3 a/